

MINUTES ADOPTED BY CITY COUNCIL

Greenville, NC
March 20, 2003

The Greenville City Council met in a regular meeting on the above date at 6:00 PM in the first floor conference room of the Municipal Building, with Mayor Parrott presiding. The meeting was called to order, and the following were present.

Mayor Robert D. Parrott
Mayor Pro-Tem Ric Miller
Council Member Mildred A. Council
Council Member Ray Craft
Council Member Pat Dunn
Council Member Rose H. Glover
Council Member Chip Little
Marvin W. Davis, City Manager
Wanda T. Elks, City Clerk
David A. Holec, City Attorney

Mr. Andy Harris, Director of Planning and Community Development, reviewed current efforts and strategies of the Planning and Community Development Department as follows:

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Redevelopment/Revitalization/Economic Development

Historically the City of Greenville has had a varied history with economic development and revitalization activities. Early efforts included programs of Urban Renewal and Housing Redevelopment. Revitalization and redevelopment have continued despite changes in available funding but these issues have remained a focus of city operations. These programs made opportunities available and make positive changes to our community economically.

Currently the following programs are provided to facilitate revitalization of our neighborhoods and uptown and will continue to be an important part in economic development and reinvestment. These programs are provided within the Planning and Community Development Department and are illustrative of the wide offerings of assistance the City provides.

Current Efforts

Owner-Occupied Substandard Housing Rehabilitation Program

Provides rehabilitation of owner-occupied dwellings to low-income homeowners in the Community Development target areas to repair major structural deficiencies and give homes a 25-year life expectancy from the CDBG, HOME and Affordable Housing Bond.

Non-Profit Housing Assistance

Provides funding to non-profit housing providers of Special Needs housing for related housing needs from the CDBG and HOME programs.

First-Time Low to Moderate Income Homebuyer Assistance

Provides down payment and secondary mortgage funds to first time homebuyers of low to moderate incomes for the purchase of a home from the Affordable Housing Bond, HOME and NCHFA programs.

Affordable Housing Subdivision Construction Program

Works with private contractors to develop affordable housing by developing subdivisions and building quality affordable homes through the Affordable Housing Bond Program proceeds.

Affordable Housing Counseling Program

Educates prospective homebuyers on the process and steps to purchasing a home. Also a Loan and Homebuyer Fair is held annually to assist in the education process.

Mortgage Guarantee Program

A program of the City of Greenville, the Self-Help Credit Union guarantees financing for home purchase for difficult to finance first time homebuyers. Funding is through the Affordable Housing Bond.

Sewer Hook-Up Program for Lower Income Annexed Areas

Funding provided through the CDBG program to low-income homeowners for the costs associated with hook up to sanitary sewer following annexation of low-income communities such as Oakgrove Estates and Hop Tyson Road. Funding from the General Fund and CDBG.

Neighborhood Grant and Association Development Programs

Provides assistance to Neighborhood Associations for Neighborhood beautification projects and assists in the development of Neighborhood Associations. Funding from the General Fund and CDBG.

Demolition Grant Program

Provides grants to low-income owners for the demolition of dilapidated housing from the CDBG program.

Small Business Loan Pool

Provided small business loans ranging from \$5,000 to \$100,000 for Small Business start-ups and/or expansions in targeted areas of the City with funding from local banks and CDBG program income.

Façade Improvement Grant Program

Provides grants for improvements to store fronts in the Uptown area from funding from the State of North Carolina, General Funds and Uptown Greenville.

Certification of Uptown and a Certified Historic District

As a result of the above program the certain areas of Uptown are now eligible for designation as a Certified Historic District, which will result in tax benefits to the owners of businesses.

Neighborhood Improvement

Programs and services offered by the Neighborhood Services Division of Minimum Housing Code Enforcement and Public Nuisance removal encourage economic development by improving quality of life and the creation of safe and living environments.

Public Investment

Economic Development and improvement are also tied to public investment decisions and locations of new public facilities. Public buildings and facilities serve as generators and attractors for new business and capital investment. These projects provide employment, improve the visual appearance of an area and encourage further reinvestment by private investors. Government entities continue to make significant contributions in this area. Examples to illustrate this are the following initiatives or major public investments:

Public Facilities and Infrastructure Improvements

- A. Convention Center
- B. Sheppard Memorial Library Expansion
- C. Police Fire Rescue Facility
- D. GUC relocation to the Wachovia Building
- E. Expansion of City Offices into the GUC Building
- F. City Sidewalk Construction
- G. Moye/Hooker Road Connector Construction
- H. Tenth Street/Farmville Boulevard Connector
- I. Evans Street Mall Removal and Renovation
- J. Central City Streetscape Improvement Study
- K. Parks
- L. Greenways

Strategies

New initiatives currently underway are creating new visions of the Central City. The appointment of the Redevelopment Commission is bringing the University, City, Hospital and other entities together to create “Unified Vision” of what the Central City of Greenville will become. Strategies to facilitate this effort include the following:

1. Support the Redevelopment Commission in its efforts to assist in the future expansion by the University to meet its space needs in the Uptown and surrounding residential areas. In this effort we need to build upon the concept work funded by the University and Uptown Greenville. The Redevelopment Plan will serve as the framework for University expansion, Uptown Revitalization and improve conditions in West Greenville.

2. Continue to strengthen our neighborhood assistance programs to improve our neighborhoods and quality of life for our citizens. Quality neighborhoods attract new and/or relocated businesses and industries.
3. Continue public investment in the Uptown and other needed areas of the city to stimulate economic development by the private sector.
4. Enforcement of existing sign ordinances, zoning code provisions, minimum housing code and other codes that directly affect the appearance of the community.

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Questions asked of Andy Harris and Merrill Flood, Deputy Director of Planning and Community Development, and answers given were as follows:

- Can the City piggyback with the State with HOME and state and federal money for first-time homebuyers for loan to value ratios, etc. (Response: The North Carolina Housing Finance Agency works with the Affordable Housing Loan Committee on that. They can piggyback several programs, such as Self-Help. Many of the programs are based on the level of need. So far, the City has not had any defaults.)
- What is the average sales price of a house at Countryside Estates? (Response: \$90,000)
- Can people get grant funds or subsidies to help pay that? (Response: Yes. The houses are worth a lot more than people actually pay for them. The lot sells for \$7,000, and the cost to develop the lot is \$13,000. There are a lot of subsidies from the beginning. Some people may be eligible for up to 20% of purchase price off of the initial mortgage. The homebuyer may get a \$110,000 house for \$75,000, which is a very good deal for first-time homebuyers. Also, the interest rates may be lower. The amount of subsidy/grant is based on need. The problem is if the homebuyer has to go to conventional sources, the people with the worst credit history pay the most because of the risk. The City works with people to cure their credit history.)
- Are there restrictions on the people selling the houses? (Response: Yes. It is required that it go to a homebuyer. Sometimes the North Carolina Housing Finance Agency has a five-year period on their deed.)
- How much money does the City have tied up now in loans? (Response: Currently it is \$65,000 in loans, and the City has probably leveraged \$400,000. The City guarantees 20% of loan value.)
- Where does this money come from? (Response: Affordable housing bonds. The City takes a second position many times.)
- How much does the City usually pay for sewer installations? (Response: This program was used in Oakgrove Estates and on Hop Tyson Road. The typical amount is \$800 to \$1300 each.)

- What did Greenville Utilities do to help the residents in the area when it was annexed? (Response: They had sewer tap assistance for Oakgrove. There were two costs—the cost of Greenville Utilities Commission’s tap-on and the price to take it to the house. Greenville Utilities offered half rate if the homeowner signed up within a certain period. Community Development Block Grant funds helped run the sewer from the street line to the house. This was only offered to low to moderate-income people.)
- Can the City build a building through the Small Business Loan Pool to lease to business owners since there are some business owners who may not be able to lease or purchase a building anywhere else? (Response: Yes. If it is built by the City, it won’t increase the tax base. A developer needs to invest in such a project to allow the City to receive the tax revenue from it.)
- Are Section 8 standards higher than the Minimum Housing Code? (Yes. The differences will need to be compared to see if the City can require what Section 8 requires.)
- Why doesn’t the City protect against dilapidated commercial buildings? (Response: The City has the authority to do minimum housing but not commercial minimum standards. The City would need additional authority to do that. A consulting group told Mr. Harris that he was writing a commercial code for smaller cities but hasn’t written any for any cities the size of Greenville.)

Mr. Harris explained the programs further by stating that the Neighborhood Grant and Association Development Programs are for neighborhood associations. There is a small amount of money associated with this. Neighborhood Associations can ask for assistance on certain projects, such as signs or landscaping. A tool library was done in one neighborhood. Of the \$6000 allocated for this annually, \$3000 comes from the General Fund and \$3000 comes from Community Development Block Grant funds. This gets exhausted almost every year. The applications are reviewed and approved by the Community Appearance Commission. A cap on a single project is \$500. These funds are available to any neighborhood, but they have to meet certain guidelines. The project has to be a bricks and mortar project and has to benefit the entire neighborhood.

It was explained that the Demolition Grant Program is available for low-income homeowners. When houses are brought to the City Council for demolition and the homeowner is truly low-income, he/she can receive funds through this program for the actual demolition at an amount not to exceed \$5000.

Mr. Harris explained that economic development has been generated through the Small Business Loan Pool. Six financial institutions work with the City to provide loans from \$5,000 to \$100,000. To date, \$448,242 has been loaned (10 loans) and \$1.4 million has been requested. These loans are made in the targeted community development area, which is from Reade Street to Memorial Drive and to South Evans. The people have a deferred interest rate. The loan committee is made up of bankers, etc. The money becomes tax-exempt because it is run through the City to the borrower. Only certain types of business are eligible to apply. For every \$50,000 borrowed, the business has to create one job for low to moderate-income people. The loan term

can range from five to eight years for start-up to expansion. The City guarantees 15% of all collections after default.

Mr. Flood showed the Council a calendar done by the Low-Income Housing Coalition that used three projects done by the City of Greenville on their calendar.

Mr. Harris explained that the Façade Improvement Grant Program has been very successful. It is funded mostly from the General Fund. The maximum grant amount is \$2500, and this is a matching program. To date, it is running 4:1 with private to public dollars. All applications go through a review. Five have been awarded for Dickinson Avenue. These grants are available for any building.

Mr. Harris explained that certain areas of uptown are now eligible for designation as a Certified Historic District. All those properties uptown will be eligible for tax credits that will go up to 40%. That provides an incentive for people to do additional work to properties.

Mr. Harris stated that the Neighborhood Improvement is done working through code enforcement. This helps improve the quality of life in neighborhoods. Housing inspections need to be stepped up; however, once that is done, property owners complain to Council Members, and it gets more difficult to enforce. In order for this program to work, staff has to have the support of City Council.

Discussion occurred about the minimum housing code. The Council was informed that the code is based on providing sanitary and safe living conditions; it does not involve aesthetics. It has to be for the health, safety and welfare of residents. The State sets the enabling legislation for this, and the City sets the code.

Council Member Council questioned whether funds are available to help low to moderate-income homeowners repair their homes. Many people in West Greenville are concerned because they feel there aren't funds available to help them fix their homes. Many people don't have jobs and can't afford to fix their homes up. There is also the fear that East Carolina University is going to take over the neighborhood.

It was explained that East Carolina University is going to have focus group meetings in West Greenville soon, and that should help the residents feel better. The University is not going to take over West Greenville.

Discussion occurred about the concern of the West Greenville residents that the City displaced them when the Town Commons was constructed and may do the same thing now. Council Member Council felt that the City should do more to empower the community.

Mayor Parrott explained that the houses on the Town Commons were rental houses and they were in terrible condition. The homes were not fit to live in.

Council Member Council expressed concern about the fact that it is history for the residents to be moved out. She stated that the same thing happened in Meadowbrook.

Mayor Parrott explained that it is not the intent to move people into a project. The City is talking about revitalizing the houses in West Greenville. It is a misconception that the people will be moved out of the neighborhood.

Mr. Harris explained that in West Meadowbrook, people were living in an area where their homes flooded every year. The program that moved the residents somewhere else was welcomed by the people that lived there. Years later, that is forgotten and the misconception that it is a bad program starts, when it was a very good program. In the budget this year are funds for the demolition of structures and lots. The City can make repairs instead of demolition if the Council so desires. If they want to, there may be funds to do that to a few homes.

Council Member Council stated that is what the residents want.

Mayor Parrott explained that only 15 to 20 percent of the people are homeowners.

Council Member Council expressed that those people want to stay there.

Mayor Parrott explained that many untrue statements are being made in the community. The University is not going to move into West Greenville.

Council discussed how it is their job to reassure the citizens of West Greenville that it is not their intent to move everyone out of West Greenville. Council Member Council was asked to encourage the people to attend the focus groups that will be held by East Carolina University in West Greenville.

There was then discussion about the City's role in public investments as far as stimulating economic development. Mayor Parrott stated that the City has to do something innovative to encourage the private sector to get involved.

Council Member Council expressed that she still feels that people will be moved out of West Greenville if it is redeveloped. The residents need to be able to afford to live there and that may not happen after redevelopment. Failure of the City Council to approve funding of the Weed and Seed initiative is an example of what makes the residents of West Greenville feel that they are not important enough for the City to help.

Mayor Pro-Tem Miller stated that the planned transportation improvements will help that neighborhood. The City Council is trying to encourage homeownership. The City needs to offer incentives to keep the units owner-occupied and help others become owner-occupied.

Mayor Parrott explained how if the neighborhood is improved, it has been proven that the undesirables will move away. The City has two choices--not do anything and let the houses fall down or try to improve the environment and quality of life there.

Council Member Little reminded that part of the process of the plan is to go out to the community to let them give the City a vision of what they need and what they want to see. There will be several meetings.

Council Member Council stated that the Council will have to be progressive and prove that they don't want to repeat history and take over what poor people have worked for and accumulated. They are sick of being taken over by power structures.

Mayor Parrott tried to reassure Council Member Council that is not the intent.

Mayor Pro-Tem Miller stated that they need to give the Council a chance to work with them instead of being suspect. A lot of people in West Greenville know what the members of this Council have done individually for them for the last 20 to 25 years.

Mr. Harris concluded by stating that the City has to have a unified vision and support the Redevelopment Commission in this effort to improve the neighborhood and quality of life in that neighborhood.

Mayor Parrott expressed that if the Council is not unified, the vision will not work. The Council has to work together or lose an opportunity. They now have the chance with the support of the University and Hospital, and if they don't take advantage of that now, they will lose that support. It is important for the Council to work together to get things done.

Council Member Dunn stated that both sides have to listen and hear what people have to say with the idea that the truth needs to be put out there. People's past experience is how they perceive things. The Council really wants to listen and to work together. For the most part, the Council has the same goals for the City.

Council Member Craft stated that none of the Council Members are here to benefit. They are here to do something positive because the City has been good to them and they want to do something good for the City. They bring different skills to the table.

ADJOURN

Motion was made by Council Member Dunn and seconded by Council Member Little to adjourn at 7:25 p.m. Motion carried unanimously.

Respectfully submitted,

Wanda T. Elks, CMC
City Clerk